



# Federal Emergency Management Agency

Washington, D.C.

October 27, 2000

The Honorable James L. Witt  
Director  
Federal Emergency Management Agency  
Washington, DC 20472

Dear Mr. Witt:

The Inspector General Act of 1978 (Public Law 95-452), as amended, requires the preparation of a Semiannual Report to Congress summarizing the activities of my office. I am pleased to enclose the report for the period from April 1, 2000 to September 30, 2000. The Act also mandates that you transmit this report to the appropriate committees of Congress within 30 days of receipt, together with any comments you may wish to make.

During this period, we reviewed FEMA's cost estimate for implementing the Flood Map Modernization Plan, evaluated the implementation of the hazard mitigation grant program for structures damaged by Hurricane Floyd, and reviewed State management of disaster operations. We also devoted significant efforts to evaluating the new estimating procedures for small projects public assistance grants and looked for opportunities to enhance compliance with homeowner flood insurance purchase requirements. Finally, we continued to review disaster costs and subgrantee compliance with applicable laws and regulations, and investigate allegations of fraud and abuse by disaster recipients.

Our efforts yielded significant monetary and non-monetary results during the past 6 months, including approximately \$39.7 million in recoveries and deobligations, and the agreement of management officials to collect or deobligate an additional \$2.9 million. Additionally, we questioned \$8.1 million and identified \$144.9 million of funds that could be put to better use. Of these amounts, \$144 million was due to excessive obligations to the Army Corps of Engineers for mission assignments related to Hurricane Georges. Our efforts also resulted in 63 arrests and/or indictments and 22 convictions.

The positive steps taken to improve agency programs and operations reflect favorably on you and the support we receive from your senior managers. I appreciate and look forward to this shared quality commitment.

Sincerely,

George J. Opfer  
Inspector General

Enclosure